



Export Income to Australia from Education Services in 2007

This snapshot updates information presented on this topic in Research Snapshot No. 34 released by AEI in March 2008.

International education activity contributed \$12.5 billion in export income to the Australian economy in 2007¹, up 17 per cent from the previous calendar year. Over the 10 years to 2007, education exports have grown at an average annual rate of 15 per cent, compared with an average annual rate of 6 per cent across all services exports.

The total value to the Australian economy from education services is the sum of the income from international students² studying onshore in Australia (the Australian Bureau of Statistics (ABS) figures uses the term 'education related travel services') and the income from education operations offshore (comprising 'other educational services' and 'royalties on education services').

Of the total export income generated by education services in 2007, \$12.2 billion was from spending on fees and goods and services by onshore students, and a further \$370 million was from other education services such as offshore students' fees and education consultancy services³. Education services remains Australia's 3rd largest export, behind coal and iron ore (\$20.8 billion and \$16.1 billion respectively), and the largest services export industry ahead of personal travel (tourism) services (\$11.8 billion).

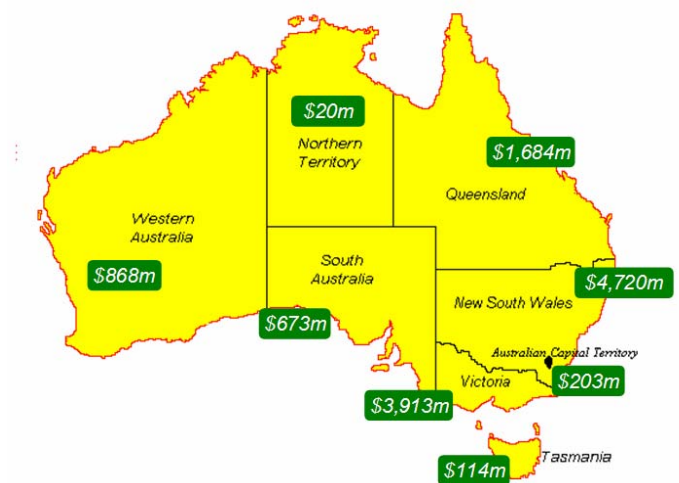
Markets for education exports

Australia's international students are predominantly from Asia. In 2007, students from China accounted for one-fifth (\$2.7 billion) of total onshore student export income; India, \$1.6 billion; the Republic of Korea, \$0.97 billion; and Malaysia, \$0.67 billion. Hong Kong, Thailand and Indonesia were also important markets.

States and territories

All states and territories benefit from international education and the level of export income generated is generally a reflection of the enrolments by international students in each jurisdiction. In 2007, income generated in New South Wales through expenditure by international students amounted to \$4.7 billion or 39 per cent of export income from all onshore students. Income in Victoria and Queensland was \$3.9 billion and \$1.7 billion respectively, while income in the other States and Territories was \$1.9 billion.

Export income by state and territory, 2007



Australia's Exports of Education Services

| | A\$ million | | | % share of 2007 total | % change 2006 to 2007 |
|---|--------------|---------------|---------------|-----------------------|-----------------------|
| | 2005 | 2006 | 2007 | | |
| Education related travel services | 9,265 | 10,371 | 12,196 | 97.1% | 17.6% |
| <i>incorporating (top10 nationalities):</i> | | | | | |
| 1 China | 2,112 | 2,357 | 2,740 | 21.8% | 16.2% |
| 2 India | 873 | 1,086 | 1,621 | 12.9% | 49.2% |
| 3 Republic of Korea | 641 | 826 | 966 | 7.7% | 16.9% |
| 4 Malaysia | 586 | 617 | 671 | 5.3% | 8.7% |
| 5 Hong Kong | 615 | 588 | 572 | 4.6% | -2.7% |
| 6 Thailand | 394 | 428 | 499 | 4.0% | 16.4% |
| 7 Indonesia | 476 | 477 | 488 | 3.9% | 2.4% |
| 8 Japan | 441 | 383 | 352 | 2.8% | -8.0% |
| 9 Vietnam | 175 | 212 | 287 | 2.3% | 35.4% |
| 10 Singapore | 272 | 273 | 269 | 2.1% | -1.5% |
| Other educational services | 322 | 355 | 363 | 2.9% | 2.3% |
| Education consultancy services | 93 | 90 | 132 | 1.1% | 46.7% |
| Correspondence courses | 21 | 22 | 23 | 0.2% | 4.5% |
| Services through educational institutions | 111 | 102 | 90 | 0.7% | -11.8% |
| Other education services | 97 | 141 | 118 | 0.9% | -16.3% |
| Royalties on education services | np | 7 | 7 | 0.1% | 0.0% |
| Total education related services exports | 9,587 | 10,733 | 12,566 | 100.0% | 17.1% |

¹ Sourced from the Australian Bureau of Statistics' publication *International Trade in Services, by Country, by State and by Detailed Services Category, Calendar Year, 2007* (ABS Catalogue no. 5368.0.55.004).

² Includes international students on all visa types.

³ Export income is also generated from the commercial presence of offshore branch campuses, twinning arrangements and the like.

np Not available for publication.